AMO REPORTS 83-13

MUNICIPAL ENERGY MANAGEMENT PROGRAMS: FUTURE POLICIES AND PROGRAM DIRECTIONS

THE ASSOCIATION OF MUNICIPALITIES OF ONTARIO
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ASSOCIATION OF MUNICIPALITIES OF ONTARIO

The Association of Municipalities of Ontario, a non-partisan voluntary organization, is united to promote the values of the municipal government system and the status of the municipal level of government as a vital and essential component of the total intergovernmental framework of Ontario and Canada.

The Association acts as the collective voice of Ontario's municipal governments and is organized to accomplish through cooperation and coordination, what the majority have neither the time nor the resources to do individually.

The Association represents some six hundred (600) municipal governments throughout Ontario. The governing body is composed of some eighty (80) municipal elected and appointed officials, who in turn represent a wide-range of municipal government interest.

The following sections and affiliated municipal professional associations form an important part of the Association's structure and therefore, play an important part in its activities in terms of the Board of Directors, program and policy development:

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* County and Regional Section
* Large Urban Section
* Northern Ontario Section (FONOM/NOMA)
* Rural (ROMA) Section
* Organization of Small Urban Municipalities Section

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* Association of Municipal Clerks and Treasurers of Ontario
* Association of Municipal Tax Collectors of Ontario
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* Ontario Municipal Social Services Association
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MUNICIPAL ENERGY MANAGEMENT PROGRAMS:

Future Policies and Program Directions

1. Introduction

Since the mid 1970's, municipalities have been implementing in-house energy management programs in order to reduce their energy consumption and save money. The level of involvement and the types of programs have varied according to each municipality's own particular circumstances.

Until now, a limited amount of information has been collected regarding the energy activities of municipalities as well as the weaknesses and "gaps" of existing funding programs. This information is necessary for determining the future directions which Provincial policies and programs should take in order to best meet the energy needs of Ontario municipalities.

Thus, this report has been prepared by the Association of Municipalities of Ontario (AMO) to provide a general summary of municipal needs and a guide to future Provincial policy directions.

The recommendations contained in the report are based on a review of existing Federal and Provincial funding programs which was conducted by the Association as well as from a survey of Ontario municipalities which was completed jointly by AMO and the Ministry of Energy.

2. Municipal Needs

2.1 Stage of Municipal Energy Management Program

The types of municipal needs for information and assistance primarily fall into three main categories, based on the level of municipal involvement in an energy management program.

The first category involves those municipalities which are considering or have just started a municipal energy management program. These municipalities require background information on how to start a committee, audit buildings, and assess project priorities for implementation.

The majority of these types of municipalities, which have not yet become involved but are interested, are small and rural municipalities. A major factor of their lack of involvement to date is the limited staff and financial resources available. Thus, in addition to the basic information needs, these municipalities require financial and technical assistance to help them define and implement management projects.

The Ministry of Energy's Municipal Oil Conversion and Energy Conservation Program (MOCECP) provides sufficient financial assistance for retrofit projects at present. However, if this program is discontinued in April 1984, as presently indicated, then small and rural municipalities will not be able to implement such projects. The AMO/Ministry of Energy survey indicated that all municipalities placed the implementation of retrofit projects as their major future priority. Thus, the cancellation of MOCECP would have a severe impact on all municipalities. AMO strongly believes that the Province should consider financially assisting municipalities after the MOCECP is cancelled in order to continue the momentum that has built up. However, this need not be only in the form of grants. For example, a no interest loan program could be developed which would provide the necessary up front funding for projects, but would be repaid through the dollar savings obtained from the retrofit measure.

With respect to technical assistance, MOCECP provides up to $2,000 for consulting fees. Although this funding is helpful, it is often not sufficient to assist small and/or rural municipalities in undertaking major retrofit projects. The other available option is to hire an energy auditor under the Municipal Energy Audit Program (MEAP). However, the cost of this is too much for one small municipality to bear alone. Also, MEAP is finishing on March 31, 1984; thus, there are very few auditors being hired for 1983.

Therefore, the Province should develop measures which would specifically meet the needs of small and rural municipalities, especially as these municipalities have expressed a growing interest in participating in energy management. For example, the Province could employ technical resource people who could visit small municipalities to help them begin their energy management programs. This would not only help the municipalities, but it would also help develop a better rapport and understanding between the Province and the municipalities. In addition, more examples and case studies of small municipalities' energy achievement should be provided to encourage other similar-sized

communities to participate. The Association further believes that many municipalities which have not pursued an active energy management program to date, do not realize or believe that saving energy means saving money. This relationship should therefore be stressed, especially through the use of successful examples.

Therefore AMO recommends:

1. That the Province should continue financially assisting municipalities with oil conversion and retrofit projects after the Municipal Oil Conversion and Energy Conservation Program's planned termination date, as there is a growing priority among all municipalities toward implementing such measures to reduce municipal energy consumption and costs.

2. That the Province should provide continued financial assistance and special services to small and rural municipalities which are interested in participating in a program of energy management but which presently lack the necessary resources to do so.

3. That the Province should continue a program of information service and assistance to municipalities which are interested in beginning a municipal energy management program.

The second group of municipalities is those which are already participating in an energy management program and are involved in energy management activities to a moderate extent. These municipalities have been auditing their facilities and implementing a few energy management measures to them. Also, some of them have been conducting energy efficient planning studies and implementing transportation energy management measures.

These municipalities require the financial assistance to implement retrofit projects, such as through the Municipal Oil Conversion and Energy Conservation Program. Furthermore, they require information on other municipalities' activities to gain new ideas and learn from their experiences. Thus, information exchange is important to encourage, promote and assist municipalities presently involved in energy management programs.

The third category of municipalities includes those which are extensively involved in energy management programs. These municipalities have usually been participating in a program for over three years and have hired a full-time person to audit facilities and implement retrofit measures. They have been "pioneering" the field of municipal energy management and therefore, require up-to-date information on products and on new measures which have been successfully implemented by other municipalities. Also, these municipalities need information on all technical aspects and innovations relating to energy management such as computer monitoring, preventative maintenance, and energy alternatives.

Therefore AMO recommends:

4. That the Province provide and facilitate the exchange of technical information and information on municipal energy activities in order to assist municipalities in successfully implementing their energy management programs.

The Association realizes that this function of information dissemination is presently being undertaken by the Province to some extent. However, AMO believes that the Province should continue and expand this function as more municipalities are becoming involved in energy management and more technical advice, seminars and case studies are required.

2.2 AMO/Ministry of Energy Survey

In November 1982, the Joint Advisory Committee on Energy Conservation (JAC) distributed a questionnaire to all municipal energy coordinators. The questionnaire was designed to evaluate the joint Association of Municipalities of Ontario/Ministry of Energy Municipal Energy Conservation Program. The questionnaire also examined the main areas on which municipalities required information and the methods of providing such information.

The three main areas on which all municipalities desired information were as follows:

1) available government programs and funding opportunities,
2) employee motivation,
3) technical information.

The importance of receiving technical information has already been emphasised in the report. The need for updated information on government programs and for methods of obtaining and maintaining employee motivation were listed as important needs among all municipalities participating in the survey.

Therefore AMO recommends:

5. That the Province provide and update information on all available funding opportunities and programs which can assist municipal energy management programs.

6. That the Province provide information and means of assisting municipalities in obtaining employee motivation and awareness.

The same survey showed that the following three major methods could best meet municipal energy needs:

1) seminars/workshops,
2) municipal case studies,
3) more information about other municipalities.

These measures have already been discussed in the report.

2.3 AMO Survey of Existing Federal and Provincial Funding Programs

An overview of Federal and Provincial funding programs conducted by the Association indicated a wide variety of programs available to municipalities. In addition to the recommendations for program directions already mentioned, the overview showed a few major weak areas in existing government programs.

One such area was the Energy From Waste Program. This program has very little funding set aside to assist municipalities with energy from waste projects. The main reason for this is that such projects require a substantial amount of capital and time to be implemented. Provincial budgeting and restraint measures make it difficult to carry over large sums of money from year to year until the projects are approved. However, if the money is not available in the first place, then municipalities will be reluctant to apply. Furthermore, the need for alternatives to landfill sites will become increasingly important in the future as the supply of land diminishes.

Thus, AMO believes that the Province should take a leadership role and provide adequate funding for its Energy from Waste Program in order to properly assist municipalities who are interested in implementing such projects.

Another weak area in existing programs is in streetlighting. Two problems arise here. Firstly, there is no funding program to which municipalities may apply for implementing retrofit measures to their streetlighting and lit signs such as crosswalks. Although lighting retrofit projects implemented in buildings may qualify for funding under MOCECP, streetlighting projects do not.

A second problem is jurisdictional. The Ministry of Transportation and Communications and Ontario Hydro jointly conducted two municipal case studies on streetlighting replacement. The results were published and distributed. However, since then, no particular group has been specifically assigned the responsibility for dealing with this subject.

Therefore, AMO believes that the Province should determine the jurisdictional responsibility for providing information on streetlighting matters and ensure that adequate funding is available to municipalities to implement lighting retrofit projects on their streets.

A final program "gap" is in community outreach. No funding is available to municipalities, other than on a demonstration basis, to implement community outreach programs for their residents. In the AMO/Ministry of Energy survey, information on community outreach was ranked as a fourth overall priority by municipalities. However, the Association strongly believes that before a municipality implements a community outreach program, the municipality should have experience in energy management, preferably at an in-house level. The municipality should gain experience and learn from its mistakes internally before going public. Furthermore, it should be able to set an example for its constituents.

Thus, AMO believes that the Province should provide information on community outreach to municipalities as well as financial assistance to those municipalities which are interested in administering a community outreach program and have demonstrated previous successful experience in the energy management field.

In view of some of the program "gaps" which have been briefly outlined, the Association believes that the Province should review its existing package of programs to assess their weaknesses in order to ensure that they are best meeting municipal needs.

AMO recommends:

7. That the Province review its existing municipal energy programs and initiatives, such as the Energy from Waste Program, streetlighting, and community outreach, to ensure that major "gaps" do not exist and that they are properly designed and funded to best meet municipal needs.

3. Conclusion

The Association realizes that the recommendations contained in this report have only highlighted some of the basic needs of municipalities. More in-depth study and consultation will be required to successfully implement each one of the recommendations. Furthermore, the Province will need to ensure that new policy and program directions are co-ordinated with and complement existing programs.

Therefore AMO recommends:

8. That the Province consult with the Association of Municipalities of Ontario when developing future policy and program directions for municipal energy management programs and that special consideration be given to co-ordinating these future developments with existing government activities to ensure that they complement one another.

4. Summary of Recommendations

1. That the Province should continue financially assisting municipalities with oil conversion and retrofit projects after the Municipal Oil Conversion and Energy Conservation Program's planned termination date, as there is a growing priority among all municipalities toward implementing such measures to reduce municipal energy consumption and costs.

2. That the Province should provide continued financial assistance and special services to small and rural municipalities which are interested in participating in a program of energy management but which presently lack the necessary resources to do so.

3. That the Province should continue a program of information service and assistance to municipalities which are interested in beginning a municipal energy management program.

4. That the Province provide and facilitate the exchange of technical information and information on municipal energy activities in order to assist municipalities in successfully implementing their energy management programs.

5. That the Province provide and update information on all available funding opportunities and programs which can assist municipal energy management programs.

6. That the Province provide information and means of assisting municipalities in obtaining employee motivation and awareness.

7. That the Province review its existing municipal energy programs and initiatives, such as the Energy from Waste Program, streetlighting, and community outreach, to ensure that major "gaps" do not exist and that they are properly designed and funded to best meet municipal needs.

8. That the Province consult with the Association of Municipalities of Ontario when developing future policy and program directions for municipal energy management programs and that special consideration be given to coordinating these future developments with existing government activities to ensure that they complement one another.

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